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Frank S. Simone
Government Affairs Director

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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March 2, 2000

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, S. W. - Room TWB-204
Washington, D. C. 20554

Re: Ex parte, CC Docket No. 00-4, Application by SBC Communications Inc.,
Southwestern Bell Telephone Company, and Southwestern Bell Communications
Services, Inc. d/b/a Southwestern Bell Long Distance for Provision of In-Region
InterLATA Services in Texas

Dear Ms. Salas:

On Thursday, March 2, 2000, Leonard Cali, Geraldine Mack and the undersigned, all of AT&T, met with Kyle Dixon, Legal Advisor to Commissioner Michael Powell. The purpose of the meeting was to discuss AT&T's opposition to the application that is the subject of the above-captioned proceeding. AT&T's views, as expressed in this meeting, were consistent with its written comments in this proceeding.

To illustrate AT&T's concerns with the performance of Southwestern Bell Telephone's ("SWBT") operations support systems we distributed the attached graphs depicting the percentage of performance measurements achieving a passing level over time. In addition, AT&T distributed a copy of the agreements that SWBT cites at footnotes 34 and 36 of their February 22, 2000 reply comments in this proceeding. No discussion of these documents took place other than AT&T's statement that on their face they do not comply with the Commission's requirements for disclosure of information about the affiliate's relationship with SWBT.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206 (b) of the Commission's rules.

Sincerely,

A handwritten signature in black ink, appearing to read "F. Simone".

ATTACHMENT

cc: K. Dixon

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**TEMPORARY PROJECTS
PRICING ADDENDUM
1999**

- A. The fee to be paid by Buyer for the Services provided by Seller pursuant to this Schedule 026 will be as follows:

300-026-041 – Channel Development

Richard Anderson (1 st Level Support – 13 hours – Nov. '99)	\$141.37/hour
Special Charges incurred in Nov. '99	\$579.29
Dortha Haws (3 rd Level Support – 25 hours – Dec. '99)	\$154.97/hour
Susan Britt (2 nd Level Support – 65 hours – Dec. '99)	\$140.16/hour
Lynn Lehew (2 nd Level Support – 65 hours – Dec. '99)	\$140.16/hour

300-026-402 – Channel Development

Jeannie A. Lohse (2 nd Level Support – 13 hours – Nov. '99)	\$140.16/hour
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300-026-407 – Channel Development

Tommie Cagle (1 st Level Support – 20 hours – Oct. '99)	\$103.47/hour
Special Charges incurred in October	\$377.33

- B. Coordinators for the Services to be provided pursuant hereto will be as follows:

Buyer:

Dennis Hall
Southwestern Bell Communications Services, Inc.
5850 West Los Positas Blvd., Room 244
Pleasanton, CA 94588

Seller:

Corporate Manager-Affiliate Issues
Three Bell Plaza, RM. 1510.C2
Dallas, TX 75202-5399

Buyer: (Orig. S/B) Dennis Hall

Seller: (Orig. S/B) Ethel McFall

Date: 01/14/00

Date: 01/11/00

Invoices will be due and payable net thirty (30) days from the invoice date.
All late payments will be subject to a charge of 1.50% per month on the
unpaid balance.

SERVICE: OFFICIAL COMMUNICATIONS

The following provisions will apply to Official Communications (the "Services") furnished to Southwestern Bell Communications Services, Inc. ("Buyer") by Southwestern Bell Telephone Company ("Seller") pursuant to this Schedule and the General Services Agreement (the "Agreement") to which it is attached and of which it forms a part:

SECTION 1. SCOPE OF SERVICES

Services furnished under this Schedule will consist of provisioning and administrative support to Buyer as hereafter specifically described in the Pricing addendum attached hereto.

SECTION 2. PRICE

Buyer agrees to pay for the Services provided by Seller in accordance with the fee schedule set forth in the Pricing Addendum attached hereto and by reference made a part hereof.

SECTION 3. TERM

This schedule will cover the period from January 1, 1999 to December 31, 1999, and will continue thereafter until canceled in writing by either party, as provided in the Agreement.

SECTION 4. LIMITATION OF LIABILITY

Seller will not be liable for any incidental, consequential, special or indirect damages, whether arising out of breach of warranty, breach of contract, negligence, strict liability or otherwise, attributable to or resulting from its performance hereunder. In no event will Seller's liability for damages caused by its failure to supply material or perform services in a proper or timely manner exceed the amount paid by Buyer to Seller for such materials or services.

In witness whereof, the parties have caused this Schedule to be executed, in duplicate, by their duly authorized representatives as of the dates set forth below.

BUYER:

Southwestern Bell Communications
Services, Inc.

BY: _____
TITLE: _____
DATE: _____

SELLER:

Southwestern Bell Telephone Company

BY: _____
TITLE: _____
DATE: _____

SUPPLEMENTAL INFORMATION – FREQUENCY OF OCCURRENCE

NEVADA BELL

<u>SCHEDULE</u>	<u>SERVICE DESCRIPTION</u>	<u>FREQUENCY*</u>
810	Marketing Operations and Strategic Planning WS6 Supervisor's Assistant Support	Terminated
N/A	Customer Virtual Toll Billing Record Format	Terminated
N/A	Billing and Collection Services	Daily when Active
N/A	PIC CARE	Terminated

*Frequency designations are consistent with those designations contained in Pacific Bell's Cost Allocation Manual dated December 1998.

PACIFIC BELL

<u>SCHEDULE</u>	<u>SERVICE DESCRIPTION</u>	<u>FREQUENCY*</u>
501	Technical Services Technical Consulting 1 st and 2 nd Level Support Manager 3 rd Level Admin Support Manager 4 th Level Admin Support Manager 5 th Level Admin Support Manager CPU Usage Timeshare (Pactime Usage) Disk/Tape Utilization Print Utilization Disk Storage	Daily
505	Year 2000 Support	Terminated
507	Promotional Billing Development Team 1 st and 2 nd Level Manager	Occasional
510	Consultant Service – Sales Support Clerical – Service Representative	Terminated
511	Customer Services Programming Project Management – BF42 Project Management – BF41	Monthly
513	Consultant Service – Sales Support Clerical – Service Representative	Terminated
526	Channel Development	Occasional
530	Consultant Service – Sales Support	Daily

539	Mail Services Clerical – WS4 Motorized Messenger	Daily
539	Special Projects Clerical – WS4 Motorized Messenger	Daily
539	Information Directory Service Manager – FSB3 Supervisor – FSA1 Clerical – WS40 Reports Associate	Daily
539	Centralized Distribution Center – Database Management Manager – FSB3 Supervisor – FSA1 Clerical – WS40 Reports Associate	Daily
539	Centralized Distribution Center – Distribution Material Storage & Fulfillment Manager – FSB3 Supervisor – FSA1 Clerical – WS40 Reports Associate	Daily
539	Centralized Distribution Center – Voice, E-Mail & Fax Services Manager – FSB3 Supervisor – FSA1 Clerical – WS40 Reports Clerk	Daily
547	Regulatory Services FID4 – Executive Director FSE2 – Executive Director FSC3 – Director FIC3 – Manager XI11 – Assistant YI21 – Assistant WS8 – Data Specialist WS4 – Staff Associate WS4 – Staff Associate	Occasional
N/A	Billing and Collection	Daily when Active
N/A	Billing Record Format	Terminated
N/A	Toll Fraud Monitoring	Terminated
N/A	PIC CARE Support	Terminated
N/A	Intellectual Properties	Occasional
N/A	Customer Network Services	Terminated

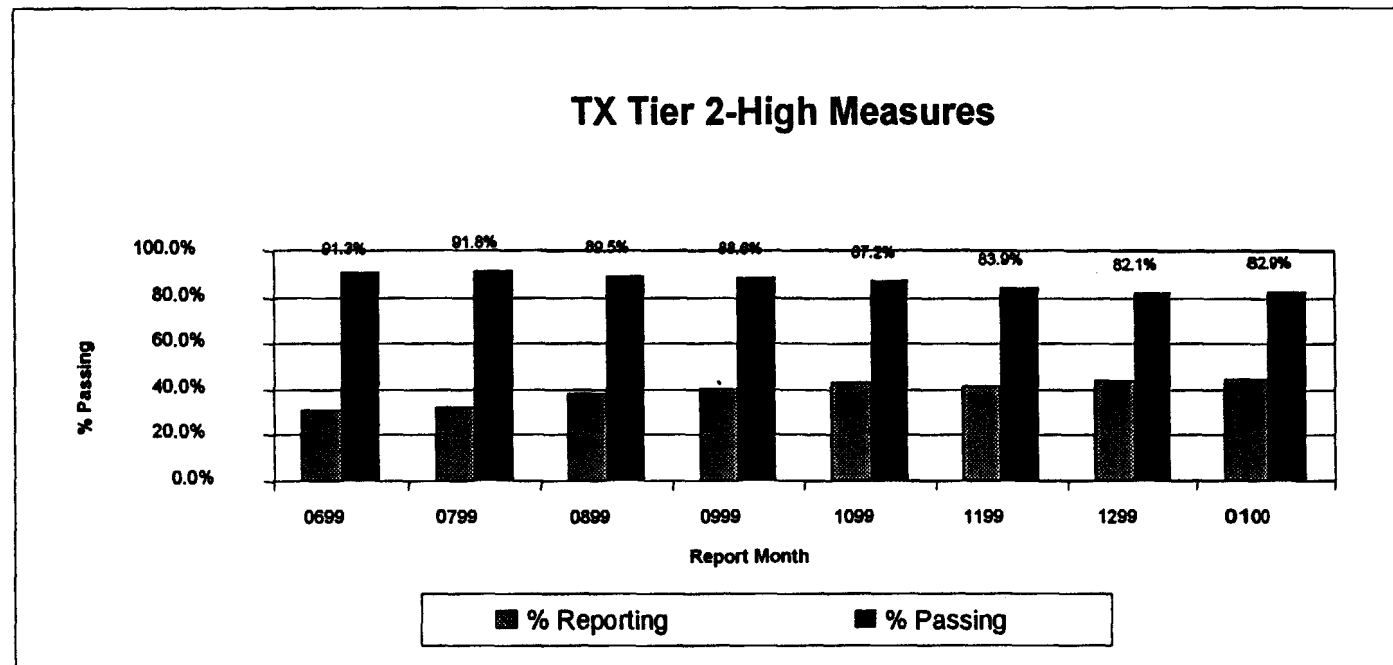
*Frequency designations are consistent with those designations contained in Pacific Bell's Cost Allocation Manual dated December 1998.

SOUTHWESTERN BELL TELEPHONE

SCHEDULE	SERVICE DESCRIPTION	FREQUENCY*
002	Human Resources Support Clerical Secretary First Level Second Level Third Level Fourth Level Fifth Level	Daily
018	Treasury Issuance and Reconciliation of Accounts Payable Paydraft Reconciliation – Vendor Issued Checks	Daily
026	Temporary Projects	Occasional
047	Revenue and Public Affairs Clerical Division Secretary First Level Second Level Third Level Fourth Level Fifth Level	Monthly
117	General Ledger Support Clerical First Level Second Level	Monthly
118	Accounts Payable Accounts Payable Support Imaging System	Daily
122	Establishment of Billing Operations Writing Methods and Procedures	Occasional when Active
127	PIC CARE PIC CARE Testing	Occasional
128	Oracle Financial Support Second Level	Occasional
148	Network Fraud Control System	Daily when Active
975	Business Office Support Sale of LD from Business Service Center	Daily when Active
994	Residence Service Support Sale of LD from Residence Service Center	Daily when Active
995	Operator Services Support Transferring calls to Corporate Call Center	Daily when Active

N/A	Billing and Collections	Daily when Active
N/A	Billing Record Format	Terminated
N/A	PIC/CARE	Terminated
N/A	Accounts Maintenance	Monthly when Active
N/A	Equal Access Consulting	Occasional
042	Legal Services	Occasional
901	Computer Software	Daily
902	Computer Bureau Services	Daily
N/A	Carrier Toll Data	Occasional
N/A	Toll Fraud Monitoring	Terminated

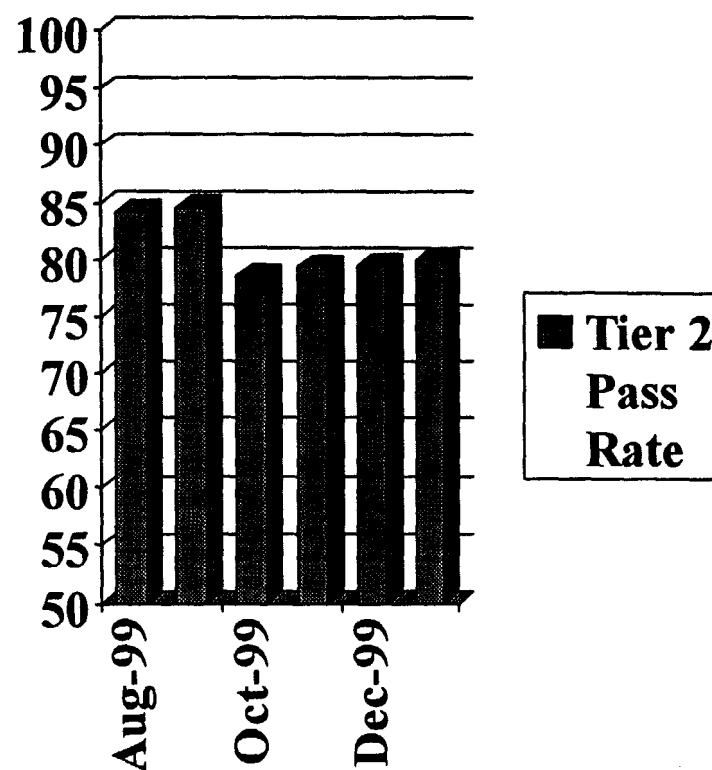
*Frequency designations are consistent with those designations contained in SBC's Cost Allocation Manual.



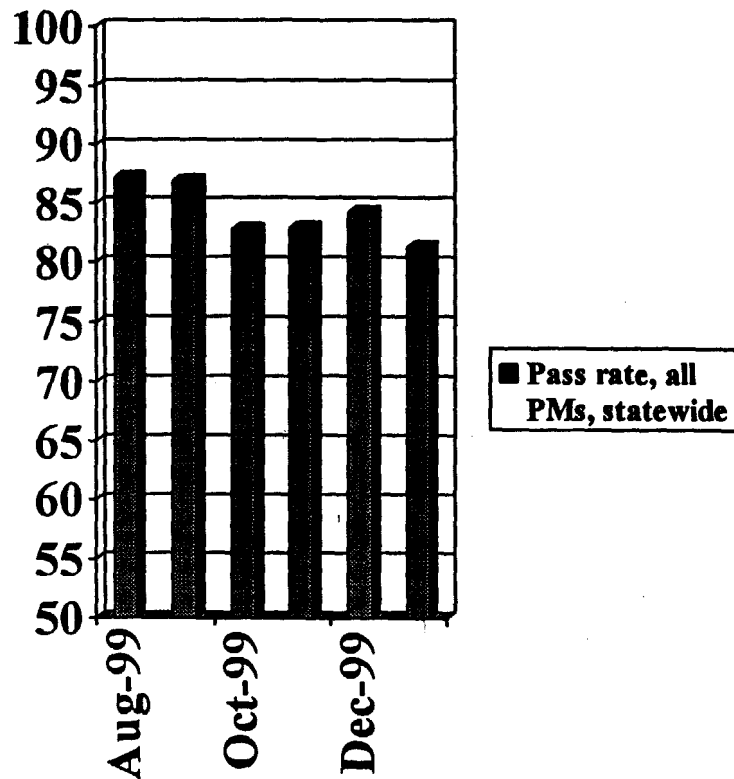
* Source : SWBT December 1999 DOJ reports as posted on SBC CLEC Online Website (<http://clec.sbc.com>) and SWBT January "Hit/Miss" Report as per SWBT February 18, 1999 Ex Parte

SWBT Reports Consistently Failing 1 In 5 Of The “Most Critical” Measures In Recent Months

- Tier 2 consists of the “most critical, customer and competition-affecting measures.” TPUC Comm.104-05.
- SBC Statewide Hit Or Miss Reports show Tier 2 pass rate just below 85% in August-September, *falling to 80.0% and below* for October-January 2000.
Source: Aug.-Oct. Tier 2 pass rates manually calculated from SBC 2/11/00 ex parte; Nov.-Jan. as reported by SBC in 2/18/00 ex parte.
- SWBT reported passing only 79.6% of these Tier 2 measures in any 2 of the 3 months ending January 2000. Source: SBC 2/18/00 ex parte.



SWBT Reported Failing More Measures Than Ever In January 2000



- January 2000 represents SWBT's highest rate of failure (18.6%) on the complete set of Texas measures, reported on a statewide basis, during the past 6 months. SBC Ex Partes 2/11/00, 2/18/00
- SWBT reported violating parity and benchmark standards on more measurements in January 2000 than any other time during the past six months -- 123 out of 774 measurements, reported on a geographically disaggregated basis. SBC Ex Parte 2/18/00.